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HOUSE BILL 286

46TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2003

INTRODUCED BY

Terry T. Marquardt

AN ACT

RELATING TO ELECTRICAL GENERATION; PROVIDING FOR THE  
CONSTRUCTION AND OPERATION OF A NATURAL GAS FUELED ELECTRIC  
GENERATION FACILITY; CREATING THE STATE POWER BOARD; PROVIDING  
FOR POWERS AND DUTIES; PROVIDING FOR CONTRACT REQUIREMENTS;  
MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 9-5A-3 NMSA 1978 (being Laws 1987,  
Chapter 234, Section 3, as amended by Laws 1997, Chapter 137,  
Section 1 and also by Laws 1997, Chapter 149, Section 2) is  
amended to read:

"9-5A-3. DEPARTMENT ESTABLISHED. --

A. There is created in the executive branch the  
"energy, minerals and natural resources department". The  
department shall be a cabinet department and shall include [but

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1 ~~not be limited to~~] the following organizational units:

- 2 (1) the administrative services division;
- 3 (2) the state parks division;
- 4 (3) the forestry division [~~which shall include~~  
5 ~~a soil and water conservation bureau~~];
- 6 (4) the energy conservation and management  
7 division;
- 8 (5) the mining and minerals division; and
- 9 (6) the oil conservation division.

10 B. The state game commission is administratively  
11 attached to the department.

12 C. The state power board is administratively  
13 attached to the department."

14 Section 2. [NEW MATERIAL] STATE POWER BOARD-- ELECTRICAL  
15 GENERATION FACILITY-- CONSTRUCTION-- OPERATION. --

16 A. The "state power board" is created. The state  
17 power board is administratively attached to the energy,  
18 minerals and natural resources department. The department  
19 shall provide administrative services and staff to the board.

20 B. The state power board shall consist of six  
21 members, as follows:

- 22 (1) the governor or his designee;
- 23 (2) the commissioner of public lands or his  
24 designee;
- 25 (3) the secretary of energy, minerals and

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1 natural resources or his designee;

2 (4) the chairman of the public regulation  
3 commission or his designee; and

4 (5) one representative from the electric power  
5 industry in New Mexico and one representative of a consumer  
6 protection organization, both to be appointed by agreement of  
7 the governor, the commissioner of public lands and the chairman  
8 of the public regulation commission.

9 C. The term of appointed members of the board is  
10 two years, with the initial terms beginning on July 1, 2003.  
11 Appointed members of the board shall receive per diem and  
12 mileage pursuant to the Per Diem and Mileage Act.

13 D. The state power board shall:

14 (1) conduct a study on state options for  
15 financing the construction of a natural gas fueled electric  
16 generation plant in Otero county and on the costs and benefits  
17 of doing so and report its findings to the second session of  
18 the forty-sixth legislature;

19 (2) upon obtaining financing for the project,  
20 contract to design, construct and equip a natural gas fueled  
21 electric generation plant on state land in Otero county; and

22 (3) contract for operation of the plant. The  
23 operating contract shall include requirements for the  
24 contractor to:

25 (a) negotiate long-term purchase

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1 contracts with local New Mexico natural gas producers at the  
2 lowest available price;

3 (b) negotiate long-term contracts for  
4 the provision of low-cost electric power to New Mexico  
5 residences, businesses, state agencies and local governments;

6 (c) deliver electric power to the  
7 residences, businesses, state agencies and local governments of  
8 New Mexico at a reasonable price; and

9 (d) sell any excess power not needed by  
10 New Mexico residences, businesses, state agencies and local  
11 governments on the open market.

12 Section 3. APPROPRIATION. -- Fifty thousand dollars  
13 (\$50,000) is appropriated from the general fund to the energy,  
14 minerals and natural resources department for expenditure in  
15 fiscal year 2004 to fund a state power board study on the  
16 financing, construction and operation of a natural gas fueled  
17 electric generation plant on state land in Otero county. Any  
18 unexpended or unencumbered balance remaining at the end of  
19 fiscal year 2004 shall revert to the general fund.